

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF THE APPLICATION FOR
APPROVAL OF THE ACQUISITION OF CONTROL
OF VAULT E&S INSURANCE COMPANY**

AID NO. 2021-05

ORDER

A hearing was held at 2:00 p.m. on February 24, 2021, at the Arkansas Insurance Department in accordance with the provisions of Ark. Code Ann. §§ 23-63-501, *et seq.*, and other pertinent provisions of the Arkansas Insurance Code, pursuant to a Statement Regarding the Acquisition of Control of Vault E&S Insurance Company (“Vault E&S”) by Plutus Co-Invest LLC, CC VH Co-Invest LP, CC Co-Invest GP II LLC, Cornell Capital CP II GP LLC, and Henry Cornell (“Applicants”), dated November 25, 2020 (“Statement”), which included a Master Transaction Agreement. The hearing was held before Booth Rand, Managing Attorney (“Hearing Officer”), pursuant to his appointment by Commissioner Alan McClain (“Commissioner”) in accordance with Ark. Code Ark. § 23-61-103(e). The Arkansas Insurance Department (“Department”) was represented by Amanda Capps Rose, Associate Counsel, and Mel Anderson, Deputy Commissioner for Financial Regulation.

The Applicants were represented by Rick Campbell and Doak Foster of Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C. The Applicants’ testimony was presented by Emily Pollack and Charles Williamson.

FINDINGS OF FACT

From the Statement, related filings, testimony presented, and other evidence introduced at the hearing, including exhibits filed in connection with the Statement, reports and statements

on file with the Department, and other matters and things considered, the Hearing Officer finds as follows:

1. The Statement and related documents were filed herein on November 25, 2020. The Notice of Hearing was given within the time and in the manner required by law, and the parties consented to the holding of this hearing at this time and on this date.

2. The Applicants will acquire control of Vault E&S via a Master Transaction Agreement dated as of October 27, 2021 by and among Plutus Co-Invest LLC, Allied World Investment Company, Allied World Insurance Company and Vault Holdings, LLC.

3. The witnesses speaking on behalf of the Applicants, testified that, in their respective opinions:

(a) The acquisition will not adversely affect contractual obligations of Vault E&S to render service in the future to policyholders and the public;

(b) The effect of the acquisition will not substantially lessen competition in insurance in Arkansas or tend to create a monopoly in Arkansas;

(c) The financial condition of the Applicants will not jeopardize the financial stability of Vault E&S or prejudice the interest of its policyholders;

(d) The plans, proposals, operations, investment policies, corporate structure, and management will be fair and reasonable to the policyholders of Vault E&S and are in the public interest; and

(e) The competence, experience, and integrity of those persons who will control Vault E&S are such that it would be in the interest of policyholders of Vault E&S and the public to permit the acquisition of control.

4. Following the hearing, on February 25, 2021, Applicants submitted an Amended and Restated Form A and an updated Post-Acquisition Organizational Chart, which have been included as a part of the record of the February 24, 2021 hearing.

CONCLUSIONS OF LAW

5. The parties agree that the Commissioner has jurisdiction of the parties and the subject matter under the provisions of Ark. Code Ann. §§ 23-63-501, *et seq.*, and other pertinent provisions of the Arkansas Insurance Code.

6. All filings, hearings, and other procedures required by law or otherwise deemed appropriate by the Hearing Officer have been duly completed by the Applicants and the Department.

7. None of the conditions specified in Ark. Code Ann. § 23-63-510 as preclusions for the approval of the proposed acquisition exist.

RECOMMENDATIONS OF THE HEARING OFFICER

WHEREFORE, based upon the foregoing Findings of Fact, Conclusions of Law, and other matters before him, the Hearing Officer recommends that the proposed acquisition of control of Vault E&S Insurance Company by the Applicants should be approved as provided in the Statement and related filings, and as described in this Order.



BOOTH RAND,
MANAGING ATTORNEY
AND HEARING OFFICER

CERTIFICATION

I, Alan McClain, Insurance Commissioner for the State of Arkansas, do hereby certify that the above Findings of Fact, Conclusions of Law, and Recommendations of the Hearing

Officer were made by and under my authority and supervision by Booth Rand, Managing Attorney and Hearing Officer in this proceeding. I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law, and Recommendations in full and enter this Order.

THEREFORE, it is hereby ORDERED, based upon the above and foregoing Findings of Fact, Conclusions of Law, and other matters, the Commissioner does hereby approve the proposed acquisition of Vault E&S Insurance Company, pursuant to and subject to the terms and conditions of the Statement and related filings and submissions, the Findings of Fact, and Conclusions of Law.

IT IS SO ORDERED THIS 26th DAY OF FEBRUARY, 2021.



ALAN McCLAIN
INSURANCE COMMISSIONER
STATE OF ARKANSAS